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THE FAMILY WELFARE REFORM ACT OF 1987
H.R. 1720

Including the Recommendations of the Subcommittee on Public Assistance and Unemployment Compensation

Prepared for the Use of the Committee by its Staff

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ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
Section 2. Family Support Program	Title IV-A of the Social Security Act provides for payment of Aid to Families with Dependent Children in accordance with approved State plans.	Replaces AFDC with a new Family Support program (FSP) as provided in the amendments listed below.

TITLE I --NATIONAL EDUCATION, TRAINING AND WORK (NETWork) PROGRAM

Under current law, authority for AFDC work activities is included in two titles of the Social Security Act: Title IV-A, which authorizes the Aid to Families with Dependent Children (AFDC) program and Title IV-C, which authorizes the Work Incentive (WIN) program. Title IV-A identifies the AFDC recipients who are required to register for WIN and includes authority for several work and training activities, including job search, work supplementation, and community work experience programs. Title IV-C authorizes the WIN program, which can provide assessment, training, employment and other employment-related activities, including job search for AFDC recipients. In FY 87, WIN funding totals $110 million and was scheduled to expire on June 30, 1987; the House supplemental appropriations bill includes $35 million in WIN funds for the remainder of FY 87. For a detailed description of WIN, please see Appendix A.

H.R. 1720 does not make substantive amendments to Title IV-C. It does, however, sever the connection between AFDC and WIN and proposes a new work, education and training program for eligible AFDC applicants and recipients within Title IV-A of the Social Security Act. A detailed description of this new program follows.

1. State Plan Requirement	No current IV-A requirement, see explanation of WIN in Appendix A.	Requires States, as a condition of receiving Title IV-A funds, to establish a national education, training and work program.
2. Establishment and Operation of State Programs	No current IV-A requirements, see explanation of WIN in Appendix A.	1. Requires that each State Title IV-A agency submit a plan, subject to the approval of the Secretary, providing that the program be available in each political subdivision of the State where it is feasible. 2. Requires private sector and local government involvement in planning and program design to assure that participants are trained for jobs that will actually be available in the community.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
		3. Requires that the NETWork program be administered by the Title IV-A agency. 4. Stipulates that Federal funds available under this program are to augment and expand existing services and shall not replace or supplant State or local funds.
3. Participation Requirements and Exemptions	Requires non-exempt individuals to register with the Department of Labor for manpower services, training, employment and other employment-related activities, including job search.	1. Requires participation by non-exempt adults if the program is available and resources otherwise permit. Requires the State to inform all Title IV-A recipients of the program.
	No current Title IV-A requirements; see explanation of WIN in Appendix A.	2. Requires the State to ensure participation by volunteers to the maximum extent possible.
	No current Title IV-A requirements; see explanation of WIN in Appendix A.	3. Requires States to designate three target populations: (a) families with teenage parents and families with parents who were under age 18 when their first child was born; (b) families that have been receiving Title IV-A benefits continuously for 2 or more years; and (c) families with children under 6 years of age.
	Exempts from participation: (a) a child under age 16 who is attending school; (b) a person who is ill, incapacitated or of advanced age; (c) a person who lives in a remote area; (d) a person needed in the home due to family illness or incapacity of a family member; (e) the parent or other relative of a child under the age of 6 who is personally providing care for the child with only very brief and infrequent absences; (f) a person who is working at least 30 hours per week; and (g) a pregnant woman if the child is expected to be born within 3 months.	4. Exempts from participation: (a) an individual who is ill, incapacitated or 60 years or older; (b) an individual needed in the home due to the illness or incapacity of a family member; (c) an individual who is working 20 or more hours per week; (d) a woman who is pregnant; (e) an individual who resides in an area of the State where the program is not available; and (f) individuals under the age of 16, except for minor parents required to participate by a State.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
	Requires the State to inform the parent or other relative caring for a child under 6 of the option to register and of the child care services (if any) which will be available.	5. Also exempts from participation the parent or other relative of a child under 3 years. Requires participation by the parent or relative of a child age 3 or more if day care is guaranteed and State resources permit.
	HHS has used the demonstration authority in section 1115 of the Act to permit States to require registration by parents of children under the age of 6.	6. Permits the Secretary to allow the State to require participation by parents of children under age 3 and over 1, if the State can demonstrate that appropriate infant care can be guaranteed within the dollar limitation ($200 per month per infant) established by the Act.
	No provision.	7. Permits States to require school attendance of minor parents as a condition of eligiblity for AFDC/FSP.
	Exempts one parent in a two-parent family from participation.	8. Establishes that, in a two-parent family, the exemptions apply to only one parent. Permits the State to require participation by both parents if appropriate child care is guaranteed.
4. Coordination with Existing Recipient Activites	No provision.	Provides that if the adult caretaker or a dependent child is already attending school or training designed to lead to employment, such attendance may constitute satisfactory participation in the program, but the costs of such school or training are not Federally reimbursable expenses under Title IV-A. Provides for support services as long as the above activities are enumerated in the family support plan.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
5. Service Priorities	No current Title IV-A requirement; see explanation of WIN in Appendix A.	To the extent that State resources do not permit the inclusion of all mandatory participants and volunteers, services are to be provided according to the following priorities: (a) first priority to volunteers in the target populations (see above); (b) second priority to mandatory participants in the target populations; (c) third priority to mandatory participants in a family in which the youngest child is within 2 years of becoming ineligible for benefits because of age; (d) fourth priority to all other volunteers; and (e) fifth priority to all other mandatory participants.
6. Orientation	Requires the State to describe the day care services (if any) that will be available to the parent or other relative caring for a child under 6. Permits the mother to choose the type of day care when more than one kind is available.	Requires that the State provide eligible applicants and recipients of IV-A benefits with orientation to NETWork, including a description of day care services.
7. Assessment and Family Support Plan	No current Title IV-A requirement; see explanation of WIN in Appendix A.	1. Requires that the State assess all of the educational needs, skills and employability of each participant in the program, and make a review of the family circumstances and the needs of the children. 2. Requires that a family support plan be developed for the family on the basis of the assessment. 3. Requires, to the maximum extent possible, that the family support plan reflect the preferences of the family members involved.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
8. Agency-Client Agreement and Case Management	No provision.	1. Requires that the State agency and the participant mutually negotiate an agreement detailing all of the responsibilities of both parties under the NETWork program. 2. Requires that the participant be given notice of the opportunity for a fair hearing in the event of a dispute involving the signing of the agreement or the nature or extent of the participation. 3. Requires that the State provide case management services to each NETWork participant which include monitoring and reviewing client progress and renegotiating if necessary. 4. Agreements shall not create a cause of action against the Federal government if the terms of an agreement are not observed by any party.
9. Range of Services and Activities.	Permits States to require: (a) applicant and recipient job search; and to operate (b) community work experience programs (CWEP); and (c) work supplementation programs. Additional work-related activities are authorized under Title IV-C.	1. Requires that States provide a broad range of services including 9 of the following: (a) high school or equivalent education; (b) remedial education, ESL and advanced education as appropriate; (c) group and individual job search; (d) on-the-job training; (e) skills training; (f) work supplementation programs; (g) community work experience programs; (h) job readiness activities; (i) counseling, information and referral; (j) job development, job placement and follow-up services; and (k) other education and training activities as determined by the State and allowed by the Secretary.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
	No provision.	2. Requires States to make items (a), (b), (c), (e), (h), (i), and (j) available plus at least two of the other activities described. Individuals who are without a high school diploma must be given the opportunity to participate in an education program as a first priority.
	Requires children over the age of 16 who are not in school to register for WIN.	3. Requires States to encourage children in participating families to take part in any of the program activities. States must also provide additional services designed to help children stay in school and obtain marketable job skills. Training activities may not interfere with school attendance.
10. Working Conditions, Wage Rates and Displacement	No provision.	1. Work assignments and all other NETWork activities must be consistent with the physical capacity, skills, experience, health, family responsibilities and place of residence of the participant.
	Requires community work experience programs to provide appropriate standards for health, safety, and other relevant conditions.	2. Requires that the State assure appropriate standards for health, safety, and working conditions under any NETWork activities.
	Community work experience programs may not result in the displacement of persons currently employed, or the filling of established unfilled vacancies.	3. Prohibits NETWork participants from displacing currently employed workers and prescribes a procedure for determining whether displacement has occurred.
	No current Title IV-A requirement; jobs subsidized under the work supplementation program must pay at least the minimum wage. The State agency is required to provide appropriate workers' compensation.	4. Requires that wage rates for positions to which participants are assigned shall be no less than the current pay scale for that job. In the absence of a current pay scale, wages shall be equal to the applicable Federal or State minimum wage. Appropriate worker's compensation shall be provided.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
	No current Title IV-A requirement; see explanation of WIN in Appendix A.	5. Prohibits States from requiring a participant to accept a job if it would result in a net loss of income (including the insurance value of any health benefits) to the participant or family.
11. Coordination	No current Title IV-A requirement; see explanation of WIN in Appendix A.	Requires coordination of NETWork with JTPA and other relevant employment, training and education programs in the State. Encourages States to establish an advisory committee.
12. State Service Contracts	No provision.	Permits the State to contract with public or private agencies for any of the services or activities made available under the program.
13. Work Supplementation Program	Permits States to operate a work supplementation program for volunteers in which all or a portion of the Title IV-A benefit is used to subsidize a job. The subsidy may last for up to 9 months. States may continue Medicaid eligibility for participants.	Same as current law, with technical, clarifying and conforming amendments. Requires States to continue Medicaid eligibility for participants.
14. Community Work Experience Program	Permits States to operate community work experience programs in which participants perform unpaid work in exchange for Title IV-A benefits. The maximum number of hours of work is equal to the Title IV-A benefit divided by the minimum wage.	Permits States to operate two forms of community work experience programs in which participants perform unpaid work and receive training in exchange for Title IV-A benefits. Prohibits reassignment to CWEP. The two program options are: (a) Require participants to work and undergo training for a period not exceeding 6 months, with the maximum number of hours required to work equal to the IV-A benefit divided by the minimum wage. In States electing this option, the portion of an individual's benefit for which the State is reimbursed by a child support payment shall not be taken into account in determining the number of hours to be worked.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
		(b) Require participants to perform unpaid work experience and to be in training for not more than a combined total of 30 hours per week for a period not exceeding 3 months.
15. Job Search	Permits States to operate a job search program for applicants and recipients.	1. Requires States to establish and carryout a job search program.
	Prohibits States from delaying the AFDC/FSP application process because the participant is in job search.	2. Same as current law.
	No provision.	3. Requires that any job search requirement be a part of the family support plan and gives States flexibility with respect to the timing of the job search activity.
	No provision.	4. Stipulates that participation in job search alone shall not be sufficient to qualify as participation if the job search does not result in employment.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
16. Sanctions for Failure to Participate	Sanctions mandatory WIN registrants by reducing or eliminating title IV-A benefits for failure without good cause to participate in WIN. In the case of a single-parent family, the needs of the indvidual who fails to participate are not taken into account in determining the benefit. In the case of a two-parent family, the entire family is ineligible for benefits.	1. Requires conciliation before sanctions are imposed. 2. Sanctions mandatory participants by reducing Title IV-A benefits for failure without good cause to participate in NETWork, as follows: (a) Single parent family - the needs of the individual who fails to participate are not taken into account in determining the AFDC/FSP grant. (b) Two parent family in which both parents must participate - the needs of the individual who fails to participate are not taken into account in determining the AFDC/FSP grant. (c) Two parent family in which one parent is required to participate - the needs of both parents are not taken into account in determining the AFDC/FSP grant.
	Regulations require that the sanctions continue for three months in the first instance of failure to cooperate and for 6 months in the second instance.	3. Provides that in the first instance, sanctions continue until the failure to comply ceases. In the second instance, the sanction continues for a minimum of 3 months. In either case, requires that the State, after 3 months, remind the individual of his or her option to end the sanction.
	No current Title IV-A provision.	4. Stipulates that volunteers who drop out of the program are thereafter to be given no priority for service. Requires dependent children who drop out of NETWork to be treated as volunteers for the purpose of sanctions.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
17. Regulations	No provision.	1. Requires that the Secretary publish proposed regulations implementing the program within 6 months after the date of enactment and final regulations within 9 months after the date of enactment. 2. Requires the Secretary to consult with States in developing regulations.
18. Performance Standards	No provision.	1. Requires that the Secretary issue performance standards within one year after the date of enactment. 2. Requires consultation with the Congress, States, localities, educators and other interested persons. 3. Requires the Secretary to review performance standards periodically and to modify them if necessary. 4. Requires, at a minimum, that such standards: (a) provide methods for rewarding States serving those in the target population who will have the most difficulty finding employment; (b) provide methods for rewarding States that provide intensive services, tailored to the individual; (c) provide methods for rewarding States that place strong emphasis on volunteers; (d) measure the cost effectiveness of the employment portion of the program and the welfare savings that result; (e) establish expectations for placement rates, including the minimum rate at which participants within each priority group are to be placed in jobs, complete school or both;

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
		(f) give appropriate recognition to the likelihood that unemployment and other economic factors will influence the success of the program; (g) measure job retention; case closures, educational improvements and the degree to which recipients are placed in jobs with employer-sponsored health benefits; and (h) take into account any other factors deemed to be important. 5. Requires the Secretary to propose to Congress a method for modifying Federal payments to States to reflect the effectiveness of the State's NETWork program.
19. Evaluation, Research and Technical Assistance	No current Title IV-A requirements; see explanation of WIN in Appendix A.	1. Requires continuing evaluation of the programs established under NETWork. 2. In addition, research is to examine the effectiveness of giving priority to volunteers, appropriate strategies for assisting two-parent families, the wage rates of individuals placed in jobs, the approaches that are most effective in meeting the needs of specific groups and types of participants and the effect of targeting on families which include children below age 6. 3. Requires the Secretary to provide technical assistance to States, localities, schools and employers who participate in the program and need it.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
20. Reporting Requirements	No current Title IV-A requirement; see explanation of WIN in Appendix A.	Requires the Secretary to establish uniform reporting requirements, which at a minimum include: average monthly number of families assisted, types of families, amounts expended per family, and length of participation. This information is to be provided for each of the services provided under NETWork.
21. Federal Financial Participation	Provides a 50 percent Federal match to States for the costs of administration of AFDC and the costs of job search, CWEP and work supplementation as part of the Title IV-A entitlement.	Provides a 60 percent Federal match for administration of Title IV-A and for NETWork as part of the Title IV-A entitlement. The State match for NETWork would be 40 percent, 10 percent of which could be in-kind.
22. 100 Hour Rule Demonstration Projects	By regulation, defines "unemployment" as working less than 100 hours per month under the AFDC-UP program.	Authorizes 5 state/local demonstration projects to test the elimination of the 100 hour rule.
23. Demonstration Authority	Permits, under Section 1115 of the Social Security Act, demonstrations likely to assist in promoting the objectives of Title IV-A.	1. Authorizes general work, education and training demonstration projects under section 1115 of the Social Security Act. Projects may not disadvantage children.
	No provision.	2. Permits State demonstration projects, targeted to Title IV-A children, designed to test financial incentives and inter-disciplinary approaches to reducing school dropouts, encouraging skill development and avoiding welfare dependence. Demonstrations shall be conducted for at least one year but no more than 5 years.
	No provision.	3. Authorizes 5 State demonstration projects to encourage States to employ AFDC/FSP mothers as paid day care providers.
24. Effective Date	No provision.	Requires States to implement the NETWork program on October 1, 1989. With the approval of the Secretary, States may elect to participate in the program at any time after the proposed regulations have been published.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE II — DAY CARE, TRANSPORTATION AND OTHER WORK-RELATED EXPENSES		
25. Payment of Day Care Expenses	The Act requires States to disregard certain earned income when determining the amount of benefits to which a recipient family is entitled. For child care, States must disregard actual expenses up to $160 per month per child. The Federal share of these expenditures for a State is equal to its Title IV-A benefit match.	1. Requires States to reimburse the day care expenses, under Title IV-A, of eligible individuals who have a need for such services and who are working, in school or training, or participating in NETWork. 2. Permits the States to reimburse the costs of day care through contracts, certificates, or disregards. In the case of disregards, child care would be deducted last. Any State policy changes may not disadvantage current recipients. 3. Limits reimbursement to $175 per month per child age 2 and older and $200 per month per child under age 2. The Federal share of these expenses for a State would be equal to its Title IV-A benefit match. States may reimburse more than $200 using State funds only. 4. Requires that child care services involving more than 2 children meet standards set by the State that ensure basic health and safety protections. 5. Requires that the day care services meet applicable standards of State and local law.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
26. Day Care Transition	No provision.	1. Provides for the extension of day care assistance for 6 months to Title IV-A families who become ineligible and have earnings or child support income. 2. Assistance would be limited to actual expenses up to $200 per month for children under 2 and $175 per month for children 2 and older. 3. Requires States to establish a sliding scale formula for calculating the individual's contribution to the day care expense.
27. Limitations on Treatment of Day Care Expenses	No provision.	Stipulates that the value of any day care provided or reimbursed shall not be treated as income for any Federal needs-based program and may not be claimed as an employment-related expense for purposes of the dependent care credit.
28. Evaluation of Child Care Resources	No provision.	Requires States to regularly assess the availability and reliability of child care services and develop new child care resources as needed. Requires coordination with other child care resources in the State.
29. Effective Date	No provision.	Establishes an effective date of October 1, 1987 for the day care policies of this Title, unless the State legislature is not in a regular session on the date of enactment of this bill. In such case, the effective date for the State would be the first day of the next Federal fiscal year that begins after the State legislature has convened for a regular session during which a budget is adopted by the State.
30. Reimbursement of NETWork Transportation Expenses	No current Title IV-A requirement; see explanation of WIN in Appendix A.	Requires Title IV-A agencies to reimburse NETWork participants up to $100 per month (adjusted for inflation) effective on the date the State implements NETWork.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE III -- REAL WORK INCENTIVES		
31. Earned Income Tax Credit	For AFDC purposes, the EITC is treated as earned income only when it is received, either as an advance payment or as a refund after the year has ended.	Requires States to disregard any advance payments or refund of the EITC.
32. Changes in Earned Income Disregards	At application , a State is required to disregard the following: (a) the first $75 of earned income to cover work expenses; (b) Actual expenses up to $160 per month per child for day care; (c) the first $50 of any monthly child support payments.	Requires States to disregard, at application the following: (a) the first $100 of earned income to cover work expenses; (b) in States choosing the disregard approach, actual day expenses up to $175 per month per child age 2 or more, $200 per month per child under age 2; and (c) the first $50 of any monthly child support payments.
	The State may also disregard the dependent child's JTPA earnings for 6 months and student earnings if these are also disregarded for purposes of the gross income limit.	The State may also disregard JTPA earnings for 6 months.
	To calculate benefits of individuals determined to be eligible at application, the State must disregard the following: (a) all of the earned income of a dependent child who is a student and not working full-time; (B) the first $75 of earned income to cover work expenses; (c) Actual expenses up to $160 per month per child for day care; (d) $30 of earned income for 12 months; (e) 1/3 of the remaining earned income for 4 months; and (f) the first $50 of any monthly child support payments. The State may also disregard the dependent child's JTPA earnings for 6 months and student earnings if those earnings are also disregarded for purposes of the gross income limit.	To calculate benefits, the State must disregard the following items: (a) all of the earned income of a dependent child who is a student and not working full time; (b) the first $100 of an individual's earned income; (c) 25 percent of an individual's remaining earnings; (d) the first $50 of any monthly child support payments; and (e) in States choosing the disregard approach, actual day care expenses up to $175 per month per child age 2 or more, $200 per month per child under age 2. JTPA disregards under current law, continue and are extended to teen parents in the same age group as dependent children.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
33. Optional State Disregard Increases	No provision.	Permits the State to increase the $100 and/or 25 percent disregards so long as the gross income is under 185 percent of the State standard of need.
34. Adjustment of Standard Deduction	No provision.	Requires that the $100 standard deduction be adjusted for changes in the cost of living.
35. Effective Date	No provision.	Effective on and after October 1, 1988, unless the State legislature is not in a regular session on the date of enactment of this bill. In such case, the effective date for the State would be the first day of the next Federal fiscal year that begins after the State legislature has convened for a regular session during which a budget is adopted by the State.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE IV — TRANSITIONAL SERVICES FOR FAMILIES		
36. Medicaid Transition	Title IV-A recipients are automatically eligible for Medicaid. In addition, Medicaid coverage has been extended to certain families who lose Title IV-A eligibility. This health coverage is available under three circumstances: (a) families who become ineligible for Title IV-A benefits due to an increase in earnings are eligible for 4 months of Medicaid; (b) families who become ineligible for Title IV-A benefits due to the termination of the 1/3 of remaining earnings disregard after 4 months receive 9 months of Medicaid with State option for an additional 6 months; and (c) families who become ineligible for Title IV-A benefits due to increased collection of child support are also eligible for 4 months of Medicaid. In the case of families with private health insurance, Medicaid only pays for those health services not covered by the private insurance.	1. Requires that families who become ineligible for Title IV-A benefits and have earnings or are receiving child support be deemed to be Title IV-A recipients for the purpose of Title XIX (Medicaid) eligibility. 2. Extends Medicaid for 9 months.
	No provision.	3. Prohibits the Medicaid extension for families which cease to include a dependent child and those who have been sanctioned.
	No provision.	4. Effective on and after October 1, 1988, unless the State legislature is not in a regular session on the date of enactment of this bill. In such case, the effective date for the State would be the first day of the next Federal fiscal year that begins after the State legislature has convened for a regular session during which a budget is adopted by the State.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE V -- CHILD SUPPORT ENFORCEMENT AMENDMENTS		
37. State Guidelines for Child Support Award Amounts	P.L. 98-378 required that each State develop guidelines for child support award amounts within the State. The guidelines must be made available to all judges and other officials who have the power to determine child support awards within the State, but need not be binding on them.	1. Requires that the guidelines be a rebuttable presumption in determining and updating awards under all child support orders issued or modified in a State. 2. Requires that the guidelines be reviewed fully every 3 years to reflect cost-of-living changes. 3. Requires that child support orders be reviewed periodically and updated at least every two years. Both parents would be notified.
38. Establishment of Paternity	All applicants for and recipients of Title IV-A benefits are required to cooperate with the State in establishing the paternity of any child born out of wedlock. No provision. In addition, P.L. 98-378, requires each State to have in effect laws requiring the use of procedures that permit the establishment of the paternity of any child at any time prior to such child's 18th birthday. Laboratory costs incurred in determining paternity in a fiscal year may, at the option of the State, be excluded from the incentive grant calculation.	1. Requires that States establish the paternity of every child within the State, in accordance with current law. Encourages States to establish voluntary civil procedures for admitting paternity. 2. Requires use of a 95 percent probability test on blood tests as a rebuttable presumption of paternity. 3. Clarifies that the authority to establish paternity until the child is 18, included in the 1984 amendments, applies to every child under the age of 18 on the date of enactment of the 1984 amendments. 4. Permits States, in calculating cost effectiveness ratios, to impute $100 per month for 12 months in all cases in which they have established paternity.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
	No provision.	5. Sets performance standards for paternity establishment. In FY 88 the number of paternity establishments must be 50 percent higher than in FY 86. In each subsequent year, paternity establishments must increase by 15 percent.
39. Visitation Demonstrations	No provision.	Authorizes demonstration grants, totaling no more than $5 million per year, to determine the magnitude of absent parent visitation problems and to test possible solutions. Demonstrations may address custody issues but may not allow child support to be withheld pending visitation.
40. Child Support Administrative Match and Presumptive Wage Withholding	For FY 87, the matching rate is 70 percent and is scheduled to decline to 66 percent by FY 1990. States found not to be in compliance with the act are subject to a loss of AFDC administrative funds.	Lowers the Federal matching rate to 66 percent for States not in compliance with the 1984 amendments within 6 months after the date of enactment. This penalty is in addition to current law penalties. Provides a permanent match of 70 percent for States that are in compliance with the 1984 amendments and implement a presumptive wage withholding law.
41. Child Support Disregard Clarification	States are required to pay to the family the first $50 of such amounts as are collected periodically which represent monthly support payments without affecting Title IV-A eligibility and benefits.	Clarifies that the family is to receive the disregard whenever the absent parent makes a timely payment.
42. Time Frames for State CSE Responses	No provision.	Requires the establishment of standards for how quickly a State must respond to requests for assistance in locating absent parents or establishing paternity and begin proceedings to establish or enforce support awards.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
43. Mandatory Automated Tracking and Monitoring	States are permitted to develop and implement automated data processing systems which control, account for, and monitor all of the factors in the support enforcement collection and paternity determination process. The Federal share of the planning and development costs is 90 percent.	Requires that States develop and implement automated tracking and monitoring systems on a time schedule. Requires all States to have an operational automated system by October 1, 1992. Special Federal matching of 90 percent expires on October 1, 1992.
44. Treatment of Interstate Funds	States receiving interstate child support enforcement demonstraton funds must include these funds in the calculation of the incentive payments.	Excludes the costs of interstate enforcement demonstrations in computing a State's incentive payments.
45. Demonstration Projects	No provision.	1. Authorizes demonstration projects to test encouraging, but not requiring, Fathers who cannot pay child support to participate in work, education or training activities. 2. Permits the Secretary to waive provisions of Title IV-A for New York State to test a child support demonstration program as an alternative to the existing public assistance system.
46. Interstate Commission	No provision.	Establishes a commission to study interstate child support establishment and enforcement, and to develop a new model interstate law.
47. Two-Year Study of Living Standards	No provision.	Requires a two-year study of living standards of intact families compared to broken families and never-married single parent families.
48. Effective Date	No provision.	In general, the amendments in Title V are effective on the first day of the first calendar quarter that begins one year or more after the date of enactment.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE VI -- PRO-FAMILY WELFARE POLICIES		
49. Mandatory AFDC-UP and Study	States may, at their option, provide Title IV-A benefits to financially-eligible two-parent families in which the principal earner is "unemployed", defined in regulations as working fewer than 100 hours per month.	1. Mandates Title IV-A benefits to financially-eligible two-parent families in which the principal earner is "unemployed", defined as working fewer than 100 hours per month.
	For eligibility, requires that the unemployed parent have worked six or more quarters in any 13 calendar quarter period ending within 1 year before applying for AFDC-UP.	2. Permits States to substitute for 4 of the six quarters of work, quarters of full-time attendance in elementary or secondary school, full-time participation in vocational training, or participation in a JTPA education or training program, but sets a lifetime limit of 4 quarters creditable to vocational training.
	No provision.	3. Requires a study by the General Accounting Office of the policies and regulations regarding administration of the AFDC-UP program within 6 months of the date of enactment.
	No provision.	4. Effective January 1, 1990.
50. Case Management Services for Minor Parent Families	No provision.	Requires that case management services be provided to Title IV-A families in which at least one parent is a minor. Federal reimbursement for these services would equal 60 percent.
51. Minor Parent Family Living Arrangements; Grandparent Deeming	Minor parents with Title IV-A eligible dependent children may live at home with their parents (the grandparents of the dependent child) or may elect to leave home and establish a separate Title IV-A unit for themselves and the child.	1. Requires unmarried minor parent (under 18) families to live with a parent, legal guardian or other adult relative or in a foster home, maternity home or other supportive living arrangement in order to qualify for Title IV-A benefits unless the State determines it is impossible or inappropriate to do so. Permits the State agency to waive this requirement if:

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
		(a) the minor has no living parent or legal guardian whose whereabouts are known; (b) the health or safety of the minor parent or the child would be jeopardized or the living conditions are over crowded; (c) the parent or guardian refuses to allow the minor parent and child to live in his or her home; or (d) the minor parent has lived apart from the parent or guardian for at least a year prior to the birth of the child or prior to making application for Title IV-A benefits.
	No provision.	2. Provides that in determining the minor parent family's eligibility, if the parent of the minor parent is also eligible for Title IV-A benefits, the minor parent and her child(ren) constitute a separate unit.
	If the minor parent and child choose to live with the grandparent of the dependent child, the income of the grandparent(s) is considered in determining Title IV-A eligibility and benefits.	3. Repeals the requirement that the income of the parent of a minor parent be attributed to the dependent child in a minor parent family.
52. Optional State Requirements for Minor Parents	No provision.	Permits the State to require school attendance or participation in training in parenting and family living skills, including nutrition and health education, as a condition of Title IV-A eligibility if appropriate day care is guaranteed.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE VII -- BENEFIT IMPROVEMENTS		
53. Annual Evaluation of Need and Payment Standards	By July 1, 1969, States were required to make a one-time adjustment in their Title IV-A need and payment standards to reflect fully changes in living costs. No further adjustments have been required.	Requires an annual evaluation of the Title IV-A need and payment standards, with particular attention to determining whether the amount assumed for shelter is adequate.
54. Enhanced Federal Match for Benefit Improvements	No provision.	Reduces by 20 percent the State share of benefit payments that represent an increase over the September 30, 1988 level of payments.
55. Mandatory State Benefits	No provision. States determine need and payment standards.	Requires, beginning on October 1, 1992, that States make payments equal to 15 percent of State median income. State median income for a family of 4 would be determined in the decennial census and updated by the Secretary to reflect any increases in State median income that have occurred. Family size adjustments would be calculated using the increments in the thrifty food plan.
56. Study of Minimum Benefit Proposals	No provision.	Requires a study by the National Academy of Sciences on alternative minimum benefit proposals, including the family living standard, national median incomes, State median incomes, and poverty.

ITEM	CURRENT LAW	SUBCOMMITTEE PROPOSAL
TITLE VIII — MISCELLANEOUS PROVISIONS		
57. AFDC-Food Stamp Coordination	No provision.	1. Establishes a commission to study and make recommendations on AFDC-Food stamp coordination. 2. Requires a report within one year after enactment with recommendations for legislative, administrative and other actions.
58. Uniform Reporting Requirements	No provision.	Requires the Secretary to establish uniform reporting requirements needed to ensure that 402(a)(37), 402(g), 402(h) and 417 are being effectively implemented.
59. Demonstration Projects on Housing the Homeless	No provision.	Authorizes 3 State demonstration projects testing whether emergency assistance payments to homeless families would be reduced through construction and renovation of permanent housing. Authorizes $15 million for each of 5 fiscal years.
60. Demonstration of Family Independence Program in State of Washington.	No provision.	Authorizes a demonstration of the Family Independence Program in the State of Washington for a period not to exceed 5 years.
61. Include American Samoa in AFDC/FSP Program	No provision.	Adds America Samoa to the AFDC/FSP program, subject to the approval of a State plan by the Secretary and under the same terms and conditions as other territories.
62. Interagency Panel	No provision.	Creates interagency panel under the direction of the Secretary to evaluate employment and training activities and demonstrations. Representatives on the panel are to be from the General Accounting Office, the Congressional Research Service, Congressional Budget Office, and the Office of Management and Budget.

Appendix A

Description of the WIN Program

Title IV-C of the Social Security Act requires the Secretary of Labor to establish work incentive programs for Title IV-A (AFDC) recipients designed to lead to employment in the regular economy, training and public service employment.

Establishment and Operation of State Programs. The Secretary of Labor is required to operate WIN in all political subdivisions with a significant number of potential participants and is prohibited from conducting institutional training not related to the types of jobs likely to become available in the area, taking into account information from the JTPA private industry council.

The Work Incentive (WIN) program is jointly administered by the Department of Labor and the Department of Health and Human Services. A dual administrative structure is also in place at the State level unless a State has elected to operate a WIN demonstration project. These projects are testing sole Title IV-A administration of WIN at the State level.

The Secretary of Labor is required to assure that the level of manpower services for AFDC recipients under other laws is not reduced because of WIN programs. The Secretary is permitted to reimburse other agencies for services not otherwise available to WIN registrants.

Service Priorities. The Secretary of Labor is required to provide services according to the following priorities: (a) first, unemployed parents who are the principal earner; (b) mothers (whether or not they are required to register) who volunteer; (c) third, mothers and pregnant women who are under age 19; (d) fourth, dependent children and relatives who are at least 16 years old and not in school, work or training; and (e) fifth, all other registrants.

Orientation. Program orientation is required to the extent practic. .e and where necessary.

Assessment and Employability Plan. The Secretary of Labor is required to develop an employability plan for each suitable WIN registrant describing the necessary education, training, work experience and orientation.

Range of Services and Activities. Each WIN program is required to include four components: (a) a program placing as many individuals as possible in employment, which may include intensive job search; (b) a program using on-the-job training; (c) a program of institutional and work-experience training; and (d) a program of public service employment for individuals who cannot find employment in the regular economy.

Working Conditions, Wage Rates and Displacement. The Secretary of Labor is required to have reasonable assurances that appropriate standards for the health, safety and other conditions be maintained in public service jobs under WIN. Displacement of employed workers by the public service job program under WIN is prohibited. Wages rates must be no lower than the applicable minimum wage and appropriate workmen's compensation must be provided to all participants. For a person without an income disregard, WIN regulations require that "net" wages (after mandatory payroll deductions and a reasonable allowance for work expenses) at least equal the family's AFDC cash grant.

Coordination. The Secretary of Labor is required, to the maximum extent feasible and when appropriate, to refer WIN registrants to JTPA for training and job services.

State Service Contracts. The Act permits the Secretary of Labor to make grants to or enter into agreements with public or private agencies. Grants or agreements may not be made with private for-profit employers or with a private non-profit employer not organized for a public purpose.

Evaluation, Research and Technical Assistance. The Secretaries of Labor and HHS must provide for the continuing evaluation of work incentive programs. The Secretary of Labor is authorized to provide technical assistance to providers of employment and training to enable them to participate in WIN.

Reporting Requirements. A national coordinating committee has responsibility for setting uniform reporting requirements.

Federal Financial Participation. The Act provides for a 90 percent Federal match up to the level of annual appropriations. For FY 1987, Federal funds total $110 million and was scheduled to expire after June 30, 1987. However, the House supplemental appropriations bill includes $35 million in WIN funds for the remainder of FY 87.